

### 3. Remuneration Report

#### Introduction

This remuneration report<sup>1</sup> provides an outline of how NENT's Remuneration Guidelines for executive remuneration (the "guidelines"), adopted by the 2020 annual general meeting (the "AGM"), have been implemented in 2021. The remuneration report also provides details of the President & CEO's remuneration in the year and a summary of the Group's outstanding share programs.

#### Key developments 2021

2021 can be summarised as a year of acceleration and recovery. Following the announcement of the Viaplay expansion plan in late 2020 and the 3m subscriber target being met, this year started with a successful equity issue to raise SEK 4.35 billion to fund the next phase of high growth and high investment.

##### *Impact on remuneration:*

The President & CEO's base salary was adjusted with 12 % effective January 2021. The adjustment is a part of a two-year plan to bring the total remuneration package closer to European levels. To better align remuneration with the new strategy and transformation of NENT Group, the remuneration committee and board proposed a new long-term incentive plan to shareholders at the 2021 AGM. The adopted plan, "LTIP 2021", has ambitious three-year targets focused on the growth in Total Shareholder Return ("TSR") and in the number of Viaplay subscribers. The plan and performance targets are outlined in more detail in the section "Share-based remuneration".

NENT Group has made substantial progress towards the 2025 targets in 2021. The Viaplay streaming service was successfully launched in Estonia, Latvia, Lithuania, Poland and the US while preparing to enter another six markets by the end of 2023. The year 2021 closed with a 33 % growth in the number of Viaplay subscribers, exceeding four million, beating Nordic and international targets. This resulted in Group net sales of SEK 12,661 million and an organic growth of 16.7 %.

##### *Impact on remuneration:*

The 2021 short-term incentive (STI) targets for the President & CEO focused on growth in net sales, operating income and Viaplay subscribers (80 % weight). The remaining targets (20 %) focused on increasing employee engagement and meeting key strategic objectives and milestones linked to the expansion. The 2021 STI targets were met in full, as outlined in the section "Application of performance criteria 2021".

In its annual review of remuneration arrangements, the remuneration committee concluded that the 2021 LTIP design and grant levels remain appropriate and that a comparable plan, "LTIP 2022", should be proposed by

---

<sup>1</sup> The report has been prepared in compliance with Chapter 8, Sections 53 a and 53 b of the Swedish Companies Act (2005:551) and the Remuneration Rules (dated December 1 2020) issued by the Swedish Corporate Governance Board. Information required by Chapter 5, Sections 40–44 of the Annual Accounts Act (1995:1554) is available in note 7 on pages 98–103 in the company's annual report for 2021 (the "annual report 2021"). Information on the work of the remuneration committee in 2021 is set out in the corporate governance report, which is available on pages 53-70 in the annual report 2021.

the board at the 2022 AGM. Furthermore, the board implemented a cash-based growth focused incentive plan for 2022 with a potential pay-out in 2023. The plan addresses the gap and retention risks resulting from not proposing a long-term incentive plan in 2020, due to the Coronavirus pandemic, and ensures that NENT Group is well positioned to deliver on the expansion strategy. The plan covers key employees (including the President & CEO) with maximum total cost of SEK 85 million including social security contributions. Full details of the plan will be published in the 2022 Remuneration Report.

## Information on shareholder vote

The 2020 Remuneration Report was approved with >99 % shareholder support. NENT Group maintains an ongoing dialogue with shareholders and investors and welcomes feedback on remuneration arrangements and disclosure throughout the year.

## Our policy regarding remuneration

NENT Group's remuneration policy is designed to i) drive and reward sustainable company and individual performance, ii) be market competitive to attract and retain best-in-class talent, and iii) to incentivise the creation of long-term shareholder value in a rapidly changing industry. Total remuneration shall be on market terms and may include base salary, pension, benefits and performance-linked elements in the form of short-term ("STI") and long-term incentive ("LTI") plans.

The guidelines, adopted by the 2020 AGM, can be found in note 7 of the 2021 annual report. The auditor's report stating whether the guidelines have been complied with will be available on the company's website <https://www.nentgroup.com/about/corporate-governance/general-meetings> no later than three weeks before the 2022 AGM. In addition to the remuneration elements covered by the guidelines, NENT Group has two outstanding long-term share-based incentive plans ("LTIP 2019" and the "LTIP 2021") and the AGM annually resolves on remuneration to the board which is not covered by this report. Such remuneration is disclosed in note 7 of the annual report 2021.

## Total remuneration of the CEO (in SEK)

The table below sets out the total remuneration earned by the President & CEO in 2021. Disbursement of any payments may or may not have been made the same year.

Name of director, position	Financial year	Fixed remuneration		Variable remuneration		Extra-ordinary items	Pension expense <sup>3)</sup>	Total remuneration	Proportion of fixed and variable <sup>4)</sup>
		Base salary	Other benefits <sup>1)</sup>	One-year variable <sup>2)</sup>	Multi-year variable				
Anders Jensen, President & CEO	2021	8,960,000	55,200	8,960,000	-	-	480,486	18,455,686	51/49
		0							

1) Other benefits include car allowance.

2) One-year variable remuneration for 2021 refers to the payout under the 2021 NENT STI plan due to be paid in Q1 2022.

3) Pension expense is in the form of a defined contribution plan based on a percentage of base salary.

4) Base salary, benefits and pension expense are considered fixed remuneration for the purpose of this calculation.

## Share-based remuneration

### Outstanding share-based programs

NENT Group has two outstanding long-term incentive plans ("LTIP 2019" and "LTIP 2021") which were approved by shareholders at the 2019 and 2021 AGMs respectively. These plans are directed to the President & CEO, other members of Group Executive Management (GEM), senior executives and key employees within the Group. Within the scope of these plans, participants were granted performance share awards free of charge, which after a three-year vesting period entitle them to NENT shares.

Vesting of performance share awards under LTIP 2019 was conditional upon the achievement of two equally weighted performance targets: (i) organic sales growth, and (ii) operating income for the 2019 financial year. In addition, vesting is subject to continued employment throughout the vesting period, with certain customary exceptions. The 2019 performance targets were achieved in full, as disclosed in the 2019 Annual Report, and the performance share awards are due to vest in Q2, 2022.

Vesting of performance share awards under LTIP 2021 is conditional upon the achievement of two performance targets: (i) Total Shareholder Return ("TSR") with 70 % weight, and (ii) Viaplay subscribers with 30 % weight. Threshold and maximum target levels have been established by the board at grant and disclosed to shareholders. If the minimum threshold level is achieved, 25 % of the Performance Share Awards will vest. If the maximum level is achieved, 100 % of the performance share awards will vest. The TSR threshold target level is 19 % and the maximum target level is 64 %, measured over a three-year period from the 2021 AGM to the 2024 AGM. For Viaplay subscribers, the threshold target level is 6.0 million and the maximum target level is 7.0 million, measured over a three-year period from 2021 to 2024. Vesting of shares in 2024 is subject to continued employment throughout the vesting period, with certain customary exceptions.

To further incentivise the creation of long-term shareholder value, the CEO and members of GEM are required to build and maintain a significant shareholding in NENT. The CEO is required to hold shares worth a minimum of 150 % of net salary. The value of the CEO's current share ownership is above that threshold at c. 450 % of net salary, based on the share price as of 30 December 2021.

## Remuneration of the President & CEO in shares

The table outlines the details of the LTIP 2019 and LTIP 2021 performance share awards granted to the President & CEO.

The main conditions						Information regarding the reported year					
Name of director, position	Plan	Performance period <sup>1)</sup>	Grant date	Vesting date <sup>2)</sup>	End of retention period <sup>3)</sup>	Opening balance	During the year		Closing balance		
						Shares	Shares	Shares	Shares	Shares	Shares
						held at the beginning of the year <sup>3</sup>	awarded	vested	subject to a performance condition <sup>4)</sup>	awarded and unvested at year end	subject to a retention period
Anders Jensen, President & CEO	LTIP 2021	2021-2024	2021-05-19	Q2 2024	–	–	39,215	–	39,215	39,215	–
	LTIP 2019	2019	2019-05-19	Q2 2022	–	42,700	–	–	42,700	42,700	–
Total:						42,700	39,215		81,915	81,915	

1) The performance targets are measured over a three-year performance period in LTIP 2021 and measured over a one-year performance period in LTIP 2019.

2) The awards under LTIP 2021 vest after the 2024 AGM and the awards under LTIP 2019 vest post publication of NENT's interim report for the first quarter in 2022.

3) The shares are delivered to the President & CEO after the second quarter and there is no requirement to retain the shares post vesting.

4) The applicable performance conditions for LTIP 2019 were confirmed fulfilled in Q1 2020 and are reported in the 2019 Annual Report.

## Application of performance criteria

### Short-term incentive program ("STI")

The performance measures for the STI plan are reviewed and selected annually to incentivise and reward the achievement of annual financial and, when appropriate, non-financial performance measures clearly linked to the strategic priorities and sustainable development of the Group. In the selection of performance measures for 2021, key objectives in the five-year expansion strategy and short-term and long-term business priorities for 2021 have been considered. The non-financial performance measures further contribute to alignment with company values.

## Performance of the President & CEO in the reported financial year: Variable cash remuneration

Set out in the table below is a description of how the criteria for payment of short-term compensation "STI" have been applied during the 2021 financial year.

Name of director, position	Description of the criteria related to the performance component	Relative weighting of the performance criteria	Performance Targets <sup>1)</sup>		Measured performance and outcome <sup>1)</sup>
			Threshold	Maximum	One-year variable
Anders Jensen, President & CEO	Group Net Sales continuing operations	20 %	11,443	12,714	12,720 MSEK
					1,792 KSEK
	Operating Income before IAC and associated income	30 %	590	656	669 MSEK
					2,688 KSEK
	Viaplay paying subscribers closing balance end year ('000)	30 %	3,308	3,675	4,005 M
					2,688 KSEK
	Improve NENT Group's Engagement Index (EI) score and improve the Engaged Quadrant ('EQ') result in the EI matrix <sup>2)</sup>	10 %	N/A	EI: 82 % EQ: 35 %	EI: 82 % EQ: 42 % 896 KSEK
	Strategy execution target: Continued implementation of four key strategic objectives and milestones	10 %	N/A	N/A	Met in full 896 KSEK

1) The performance targets and the outcome for Sales & Income were adjusted by the board in accordance with the pre-approved adjustment framework. Adjustments were made for significant exchange rate fluctuations outside budgeted levels and additional approved investments in the international expansion.

2) The targets were set above the EI external benchmark level at 79 % and the EQ external benchmark level at 29 %.

The 2021 STI targets for the President & CEO included both corporate financial and operational/non-financial targets, in line with the Remuneration Guidelines.

## NENT Long-term incentive ("LTI")

The performance and vesting period for the 2021 LTIP is from the 2021 AGM until the 2024 AGM. As such, no long-term incentive award was earned during the year.

## Derogations and deviations from the remuneration guidelines and from the procedure for implementation of the guidelines

The remuneration committee and board have concluded that there were no derogations or deviations from the 2020 guidelines in 2021.

## Comparative information on the change of remuneration and company performance (SEK million)

	2020	2021
President & CEO remuneration	12	18
Group Operating Income before IAC1)	1,077	647
Average remuneration employees NENT Group2	0.9	1.0
Average remuneration employees of parent company3	1.5	1.5

1) Unadjusted outcome. Results between 2020 and 2021 are not directly comparable year-over-year given the deconsolidation of Viasat Consumer Business and the increased investments into the international expansion.

2) Included as considered a better reference group of employees than the parent company.

3) The number of employees in the parent company is limited and is therefore volatile to turnover and change in employee compensation.